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IN THE

Supreme Court of the United States

OCTOBER TERM, 1963.

No. 976

JOHNSON & JOHNSON,

Petitioner,

vs.

THE KENDALL COMPANY,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

Petitioner, Johnson & Johnson, respectfully petitions for a writ of certiorari to the United States Court of Appeals for the Seventh Circuit in this case.

OPINIONS BELOW.

The opinion of the Court of Appeals (Appendix A, *infra*, pp. i-xi) is reported in 327 F. 2d 391.

The opinion of the District Court for the Northern District of Illinois is reported in 215 F. Supp. 124, and certain of its findings of fact entered pursuant to Rule 52(a) F. R. C. P. pertinent to the question presented by this petition are annexed hereto as Appendix C, *infra*, pp. xiii-xxix.

The conflicting opinion of the District Court for the Southern District of New York in *Johnson & Johnson* v. *C. B. Stenvall, Inc.* (Appendix D, *infra*, pp. xxx-xlii), is reported in 193 F. Supp. 128.

JURISDICTION.

The judgment of the Court of Appeals was entered on January 22, 1964 (Appendix B, *infra*, p. xii). A petition for rehearing and a motion in the nature of a suggestion that the petition be considered *en banc* by the Court of Appeals were denied on February 28, 1964. The mandate of the Court of Appeals has been stayed to April 8, 1964, to permit the filing of this petition.

The jurisdiction of this Court is invoked under 28 U. S. C. § 1254(1).

QUESTION PRESENTED.

Whether the Federal Courts are empowered, as a matter of law and despite the words "obvious at the time the invention was made" in 35 U. S. C. § 103, to invalidate a patent for obviousness or lack of patentable invention on art which, although prior to the patentee's application filing date, is subsequent to the date of his actual invention.

STATUTE INVOLVED.

The provisions of Section 103 of the Patent Code of 1952 (35 U. S. C. § 103) are as follows:

> "§ 103. **Conditions for patentability; non-obvious subject matter**
>
> A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would

have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made."

STATEMENT OF THE CASE.

1. Petitioner sued respondent in the United States District Court for the Northern District of Illinois for alleged infringement of Gross patent No. 2,703,083, issued March 1, 1955, and entitled "Adhesive Bandage." The basis for federal jurisdiction in the District Court in the first instance was 28 U. S. C. § 1338(a).

2. The structural elements of the patented combination are (a) the backing, (b) the adhesive layer covering the backing, (c) the gauze pad or compress, and (d) the facing member, all assembled in a new and critical relationship controlled by four basic requirements set forth in the patent (*infra*, pp. xiv, xv-xvi). As pointed out in the patent, use of these requirements affords a "highly effective means for making immediately available the maximum adhesive property of the mass" (*infra*, p. xvii) to provide an adhesive bandage having instantaneous adhesion.

Prior to the patentee's invention, crinoline was the facing material universally employed in adhesive bandages (*infra*, pp. xiv, xv). This left a rough surface on the adhesive which it was commonly thought stuck better to the skin (*infra*, p. xv). However, such a bandage did not have instantaneous adhesion. The patentee's new bandage supplied this feature. Not only was he the first to teach the adhesive bandage art that a smooth pressure-sensitive adhesive would stick better to the skin than the rough surface left by crinoline, but also he was the first to show how this could be accomplished (*infra*, p. xvii). After the commercial introduction of petitioner's patented product

under petitioner's well-known trademark BAND-AID, substantially the entire industry adopted the patented structure, thereby abandoning the thirty-year old crinoline-faced bandage of the prior art (*infra*, p. xviii).

3. Petitioner's patent was first adjudicated in the United States District Court for the Southern District of New York in *Johnson & Johnson* v. *C. B. Stenvall, Inc.*, 193 F. Supp. 128 (S. D. N. Y. 1961). In holding claims 1, 2, 3, 9, 11 and 12 valid and infringed, the Honorable Gus J. Solomon[1] found that the patentee's invention had been made at least as early as January 1948[2] and said (*infra*, p. xxxix):

> "The differences between the Gross invention and the prior art were so significant that it cannot be said that the invention would have been obvious to a person having ordinary skill in the art."

This adjudication became final in the Second Circuit when, after a notice of appeal to the Court of Appeals of that Circuit, the defendant, C. B. Stenvall, Inc., negotiated a license under petitioner's patent and dismissed its appeal with prejudice (*infra*, pp. xviii-xix).

4. The trial in the case at bar was conducted by the Honorable Edwin A. Robson, who also found petitioner's patent valid and infringed.[3] The patentee's actual date of

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1. Chief Judge of the United States District Court for the District of Oregon, sitting by special assignment.

2. This finding was based on the testimony of the patentee and a corroborating witness, the Court noting that its examination of the 1948 bandages showed that they possessed the qualities set out in a contemporary report and covered by the testimony of the witnesses (193 F. Supp. 132; *infra*, p. xxxvi).

3. In his detailed opinion and in findings of fact entered pursuant to Rule 52(a) F.R.C.P., Judge Robson held that the patented invention was not anticipated, had not been in prior public use, and was not invented by certain of respondent's employees as was contended by respondent on the basis of 35 U.S.C. § 102. (*infra*, pp. xix-xxiv). The defense of "obvious subject matter" under 35

(continued next page)

invention likewise being in issue, Judge Robson specifically found that conception occurred "early in 1945" and that in May, 1947 and again later in January and July 1948, adhesive bandages faced with cellulose acetate were successfully prepared and sterilized, and patent claims 1, 2, 9, 11, and 12 were thus reduced to practice (*infra*, pp. xxiv-xxvi).

5. Upon the basis of courtroom demonstrations of bandages actually made in 1947 and 1948, Judges Solomon and Robson, two independent triers of the facts, have held that the patentee perfected the four requirements of his invention with an efficient and satisfactory bandage at least as early as January 1948.[4] Both trial judges also held that the patentee never abandoned his invention (*infra*, pp. xxviii, xxxv.) and expressly excused the delay in commercial adoption and in filing the application for patent.

6. In the Court below, respondent abandoned the alleged defenses under 35 U. S. C. § 102 upon which it had relied in the District Court, and contended that Finding of Fact No. 16[5] was "clearly erroneous" and that peti-

U. S. C. § 103 was also expressly considered and rejected, Judge Robson saying (215 F. Supp. 143):

> "Had this been simply a matter of substitution of materials or use of equivalents some skilled researcher in the field would have suggested it."

4. As Judge Robson specifically found, "Gross examined these bandages at the time of their preparation and found that the facing was in intimate contact with the adhesive mass, was inert, and was releasable" (*infra*, p. xxvi); also, "the 1948 adhesive bandages embodied the teachings of the Gross patent" (*infra*, p. xxvii).

5. Finding of Fact No. 16 is as follows:

> "The improvement wrought by the Gross invention was not a change in degree. The change was from a bandage which did not have instantaneous adhesion to a bandage which did have such adhesion. Gross was the first to teach the art that a smooth pressure-sensitive adhesive surface would stick better to the skin than the rough pressure-sensitive adhesive surface

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tioner's patent was invalid for obviousness under 35 U. S. C. § 103.

The Court of Appeals (Circuit Judges Duffy, Schnackenberg and Swygert) did not attempt an independent examination of the evidence. Neither did it set aside assailed finding No. 16 as erroneous. Instead, the Court only considered the question of whether the District Court had applied the proper standard of invention as "a matter of law" (*infra*, p. ix). Without overturning, or even considering, the specific findings of the District Court as to the patentee's date of actual invention, the Court below invalidated petitioner's patent for lack of patentable invention in view of art which was admittedly post date of invention, saying (*infra*, p. ix):

> "We think the achievement of 'instantaneous adhesion' by the use of smooth facings was well known in the art and had been put to practical use by each of the parties to this suit in various of their commercial products. There was nothing unobvious, unexpected or surprising in Gross' teachings, after the log-jam had been broken by others."

The illustration used by the Court below to show that instantaneous adhesion by the use of smooth facings was well known and had been put to use by both parties was an industrial tape known as 281 which respondent sold commercially "beginning in 1949" (*infra*, p. v). A certain Cress bandage which first appeared on the market in 1950 (*infra*, p. viii) was also relied on to show that neither petitioner nor respondent was the first to introduce

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of the crinoline faced bandage. Gross was the first to show how this smooth adhesive surface could be obtained, namely, through the practice of the four principles of his invention. In view of the many previous unsuccessful attempts to solve the adhesion problem, Gross' accomplishment, in assembling old structural elements of an adhesive bandage in a new critical relationship to achieve instantaneous adhesion, was unobvious, unexpected, and surprising."

adhesive bandages having smooth continuous facings.[6] The alleged breaking of the "log-jam" referred to by the Court occurred in 1951-52 when "Mylar" and "Kodapak IV" films became available.[7]

The Court below thus evaluated the inventiveness of the patentee's contribution as of 1953, when the application for patent was filed, and for this purpose it relied on two products which did not reach the market until 1949 and 1950, long after the "time the invention was made" as fixed by express findings of fact which were neither challenged by respondent nor set aside by the Court.

The holding of invalidity for lack of invention is the sole basis for the Court's decision, there being no alternative or independent ground for the reversal of the District Court's judgment.

REASONS FOR GRANTING THE WRIT.

1. The decision of the Court of Appeals frustrates the explicit language of Section 103 of the Patent Act of 1952 by holding petitioner's patent invalid for obviousness while ignoring the "time the invention was made." This departure from the usual and accepted manner of exercis-

6. Both the 281 tape and the Cress bandage had been relied on by respondent as prior public uses under 35 U.S.C. § 102(b). They were expressly rejected as such in findings of the District Court (*infra*, pp. xix-xxii) which were neither discussed nor set aside by the Court of Appeals.

7. The use of such a time reference point especially emphasizes the disregard exhibited by the Court below toward the specific language of Section 103. The "Mylar" film facing of 1952, used commercially by petitioner in 1953, as found by the District Court, was a particular material "suitable for the practice of the invention previously made" by the patentee (*infra*, p. xxix). It was used temporarily and later petitioner started to use and continued to use "Kodapak IV" film which was an improved or triacetate form of cellulose acetate which the patentee had used in his 1947 and 1948 reductions to practice (*infra*, p. xxvi).

ing the appellate reviewing function, together with other factors justifying certiorari as hereafter mentioned, affords an important basis for review by this Court. The impact of this sort of handling of an appeal in patent litigation is not confined to the present case and is apt to have dangerous future consequences. Where a Court of Appeals does not set aside findings of fact made by the trier of the facts and, instead, elects to rule on patentability as a question of law, is it not circumscribed by the statute's time reference point and by factual determinations of the District Court? Or does it have such a freedom upon review that it may proceed to a disposition of the legal question on the basis of facts which are irrelevant, because too late, to the statutary problem under consideration?

2. The decision of the Court of Appeals involves an important question of statutory construction which has not been, but should be, settled by this Court. The narrow question has to do with the time as of which a determination of patentable invention shall be made and whether this time and no other must control. Are the words "obvious at the time the invention was made" in Section 103 of the Patent Act of 1952 a statutory command, or may the courts in patent cases base their rulings under this section on some other date selected by them—for example, as in the case at bar, the date of the filing of the patent application?

Prior to the Patent Act of 1952[8] the patent statutes contained no definition of invention. Section 103 was a new provision which was intended to codify the case law requirement of "invention" as a prerequisite to patentability. It paraphrases language often used in decisions of the courts and was added to the statute to obtain greater uni-

8. Act of July 19, 1952, c. 950, § 1, 66 Stat. 798.

formity and definiteness[9] and with the view that an explicit statement in the statute would have some stabilizing effect[10] both in the administration of the patent laws by the United States Patent Office and in the enforcement of issued patents in the courts.[11]

Section 103 therefore requires, in addition to the bars to patentability of Section 102, that the difference between the subject matter sought to be patented and the prior art must not be obvious at the time the invention was made. This is in sharp contrast to Section 102(b)[12] which bars the issuance of a patent, regardless of when the invention was actually made, if it "was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States." Instead of the application filing date and critical "more than one year" time period of Section 102(b), Section 103 uses as its time reference for the determination of obviousness the words "at the time the invention was made."

The decision of the Court of Appeals is plainly out of harmony with the letter and spirit of Section 103. The shocking error of the court lies in its use of 1949 and

9. H. R. 1923, 82d Congress, 2d Session 7 (1952).

10. Revision Notes, Appendix to H. R. 1923, p. 18.

11. The section was undoubtedly a response by the Congress to a proposal of a uniform standard of invention made by the National Patent Planning Commission (House Document No. 239, 78th Congress, 1st Session, pp. 5-6) in which it was stated *inter alia*, "A promising improvement would be for Congress, by legislative enactment, to lay down a reasonable, understandable test by which inventions shall be judged both from the standpoint of the grant of the patent and the validity of the patent thereafter."

12. This is the traditional "statutory bar" provision. It was based on 35 U.S.C., 1946 Ed. § 31 (R. S. 4886 [derived from Act July 8, 1870, c. 230, § 24, 16 Stat. 201] as amended (1) March 3, 1897, c. 391, § 1, 29 Stat. 692, (2) May 3, 1939, c. 312, § 1, 46 Stat. 376, (3) Aug. 5, 1939, c. 450, § 1, 53 Stat. 1212).

1950 vintage products to justify its conclusion that there was nothing "unobvious, unexpected or surprising" in the teachings of a patent which contained for its disclosure an invention conceived "early in 1945" and reduced to practice in 1947 and again in 1948. There are no compelling considerations which justify reading into Section 103 a construction obviously contrary to the precise words of the statute. Nor is there any basis, either in the legislative history or elsewhere, for considering either the date of the commercial adoption of an invention or the date of the filing of an application, as contrasted with the date of actual invention, as the time reference point for the determination of obviousness.

In view of the express findings that there was no abandonment and no intervening statutory bars, and that, following actual reduction to practice, there was diligence in commercializing the invention, petitioner was not disadvantaged by the delay until 1953 in the filing of its patent application (*International Tel. Mfg. Co.* v. *Kellogg Switchboard & Supply Co.*, 171 Fed. 651, 656 (7th Cir. 1909)), and this delay in nowise served to make the date of invention some date other than that expressly found by the trier of the facts. A reduction to practice need not be a commercial use. *Corona Cord Tire Co.* v. *Doran Chemical Co.*, 276 U. S. 358, 384 (1928). Neither is an inventor required to bring his device to the highest degree of perfection. *Telephone Cases*, 126 U. S. 1, 535, 536 (1887); *Hildreth* v. *Mastoras*, 257 U. S. 27, 34 (1921).

So far as counsel have been able to determine, in no previous petition for certiorari has this Court been asked to resolve the question now tendered which is concerned only with the true meaning and application of the time reference point employed in Section 103.

3. The decision of the Court of Appeals is in conflict with the decision of the Court of Customs and Patent Ap-

peals in *Application of Palmquist et al.*, 319 F. 2d 547 (C. C. P. A. 1963). In both cases the question was whether what is obvious to one of ordinary skill in an art is to be determined as of the "time when the invention was made," as specified in 35 U. S. C. § 103, or whether it is to be determined as of some later date, *i.e.*, the date of application.

In *Palmquist*, the Court said (p. 551):

> "We think both logic and reason require us to interpret the provisions of 35 U. S. C. § 103 in accordance with the legal principles which preceded and are codified in it. The principles established before 1952 required that the time as of which the determination of 'invention' was to be made was 'the time the invention was made.' They apply equally to the determination of obviousness under 35 U. S. C. § 103."

It was accordingly held that a treatise which had not been published prior to the date of invention could not be relied on to establish obviousness.[13]

In sharp contrast, the Court of Appeals in the case at bar has relied on products commercially introduced in 1949 and 1950 to establish obviousness of the subject matter of petitioner's patent. Although the express language of the statute and *Palmquist* were urged upon it, the Court below ignored both and used as its time reference point the date of the filing of the application in lieu of the date of actual invention of the patentee as fixed by express findings of fact entered pursuant to Rule 52(a) F. R. C. P.

There is much more involved than a mere apparent conflict between *Palmquist* and the case at bar. The question raised here is of the utmost importance in the administra-

13. Although published "more than one year prior to the date of the application for patent," the Van Boskirk reference was not a statutory bar under 35 U.S.C. § 102(b) because it did not *per se* describe the claimed invention (319 F. 2d 550).

tion and enforcement of the Patent Laws. It is incongruous that the United States Patent Office issue patents employing the *Palmquist* time reference point, *viz.*, the date of actual invention, and that the courts adjudicate those patents on the basis of another or different time reference point. For example, if the patent authorized by *Palmquist* were to come before the Court of Appeals for the Seventh Circuit, it would, if the present decision is allowed to stand, be invalidated upon the very Van Boskirk treatise over which the patent was granted. The Court of Appeals should be told that, in conformity with Section 103 and with the United States Patent Office rule as expressed in *Palmquist*, it must use the date of invention as the date when obviousness must be determined.

The need for uniformity in the application of Section 103 is clear. It is unfair to patentees and patent owners and contrary to the spirit of Section 103[14] to judge an application for patent by one yardstick and then judge the patent issued thereon by still another yardstick when it becomes involved in litigation.

4. There are conflicting final adjudications in different circuits as to the validity of petitioner's patent which are due primarily to diametrically opposed applications of Section 103. In the Second Circuit case, Judge Solomon cited and followed (*infra*, p. xi) the decision of Judge Learned Hand in *Reiner v. I. Leon Co.*, 285 F. 2d 501 (2 Cir. 1960), where it was said (p. 504):

> "... we do not see how such a standard [35 U. S. C. § 103] can be applied at all except by recourse to the earlier work in the art, and to the general history of the means available at the time. To judge on our own that this or that new assemblage of old factors was, or was not, 'obvious' is to substitute our ignorance for the acquaintance with the subject of those who were familiar with it."

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14. See footnote 11, *supra*, p. 9.

Giving effect to this objective test as of the date of actual invention, Judge Solomon found that the subject matter of the patent was unobvious. In direct contrast, the Court of Appeals for the Seventh Circuit relied on facts and products coming only *after* the date of actual invention.

Moreover, the conflicting adjudications have resulted from the refusal of the Court below (1) to respect the decision of Judge Solomon under the doctrine of comity apparently because he tried the *Stewart* case in a mere two days and (2) to obey the compulsion of Rule 52(a) F. R. C. P. as to Judge Robson's findings. There is no suggestion whatever that these findings are erroneous and, being based on live testimony and courtroom demonstrations, they were binding on the court of review. *Graver Mfg. Co.* v. *Linde Co.*, 336 U. S. 271, 274-75.

It is true that the *Stewart* decision was not reviewed by the Court of Appeals for the Second Circuit. However, that adjudication of petitioner's patent as being valid became final when the defendant dismissed its appeal in the Second Circuit Court of Appeals with prejudice. For all practical purposes, the Seventh Circuit holding that petitioner's patent is invalid is therefore in conflict with a final Second Circuit adjudication.[15]

In these circumstances and because of the importance of the statutory question involved, there is a substantial basis for review and this Court should settle the conflict as to petitioner's patent.

15. Traditionally, settlement of litigation is always encouraged, and hence, termination of the litigation over petitioner's patent in the Second Circuit was in one sense highly commendable. In another sense, however, and in the light of subsequent events, it would seem that petitioner actually prejudiced itself by entering into the settlement if it may not now rely on the Second Circuit adjudication as the basis for a conflict.

CONCLUSION.

For the foregoing reasons, the petition for a writ of certiorari should be granted.

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